

ANNEX A
SAMPLE NATIB PA
TO THE
US-CA
MEMORANDUM OF UNDERSTANDING
FOR NORTH AMERICAN TECHNOLOGY AND INDUSTRIAL BASE ACTIVITIES
(Short Title: NATIBO)

DATED MM/DD/YYYY

U.S./CA NATIBO PROJECT ARRANGEMENT NO. _____ *

BETWEEN

THE DEPARTMENT OF DEFENSE

OF THE UNITED STATES OF AMERICA

AND THE

DEPARTMENT OF NATIONAL DEFENCE

OF CANADA

CONCERNING

(FULL DESIGNATION OF THE PROJECT)

*The Project Arrangement Numbers will be structured as follows:
NATIBO: U.S./CA XX-NNNN-nnnn where XX is a U.S. Military
Service or Defense Agency designator such as N for Navy, A for
Army, AF for Air Force, AR for DARPA, etc.; NNNN is the calendar
year, and nnnn is a sequential number.

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NB: Guidance appears throughout in parentheses and bold italics. This is to assist in drafting PAs. Do NOT Insert this guidance text into your PA.

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SECTION I

INTRODUCTION

This Project Arrangement (PA) hereby establishes the _____ as a Project in accordance with the Memorandum of Understanding between the Department of Defense of the United States of America and the Department of National Defence of Canada for North American Technology and Industrial Base Activities (NATIBO), (date).

SECTION II

DEFINITION OF TERMS AND ABBREVIATIONS

(Define only those terms used in this PA that have not been defined in the NATIBO MOU.)

SECTION III

OBJECTIVES

The objectives of this _____ Project are:

- a. the development of _____

- b. the improvement of _____

- c. the investigation of _____

SECTION IV

SCOPE OF WORK

The following tasks will be undertaken under this PA.

- a. Research_____
- b. Develop_____
- c. Evaluate_____
- d. Design, fabricate and test_____

SECTION V

SHARING OF TASKS

The sharing of tasks will be as follows:

- a. The DoD will_____
- b. The DND will_____
- c. DoD and DND will jointly_____

SECTION VI

BREAKDOWN AND SCHEDULE OF TASKS

(OPTIONAL)

(When the tasks covered under a PA may be performed using multiple phases, requiring milestones or decision points.)

The Project will proceed according to the following phases and schedule

<u>Phase 1</u>	<u>Start</u>	<u>End</u>
Description of Phase 1	MM/YYYY	MM/YYYY

(Milestone 1) ***(e.g. Transmittal of Feasibility Report)***

<u>Phase 2</u>	<u>Start</u>	<u>End</u>
Description of Phase 2	MM/YYYY	MM/YYYY

(Milestone 2) ***(e.g. Decision to proceed to Phase 3)***

<u>Phase 3</u>	<u>Start</u>	<u>End</u>
Description of Phase 3	MM/YYYY	MM/YYYY

(Milestone 3) ***(e.g. Evaluation, analysis of results)***

(Add as many phases as necessary.)

SECTION VII

MANAGEMENT

1. Project Officers:

U.S. PO

Title/Position_____

Organization_____

Address_____

Canadian PO

Title/Position_____

Organization_____

Address_____

2. Particular Management Procedures:

(Mention only those additional management responsibilities not covered under SECTION IV of the NATIBO MOU.)

a. POs will prepare and present reports and reviews as directed by the MOU Co-Chairs;

b. Additionally, the POs will provide progress reviews and reports to the relevant WG, as required.

SECTION VIII
FINANCIAL ARRANGEMENTS

1. The DoD share of the tasks is estimated to be X U.S. dollars. The DND share of the tasks is estimated to be Y CA dollars.

2. The U.S. dollar will be the reference currency for the work done in the U.S. pursuant to a PA. The CA dollar will be the reference currency for the work done in Canada pursuant to a PA.

(a. Under this PA, where one Participant contracts on behalf of both Participants, the POs will be responsible for establishing the detailed financial management procedures under which a PA will operate, if they deem appropriate. These procedures, which must accord with the national accounting and audit requirements of the Participants, will be detailed in an FPPD proposed by the POs and subject to the approval of the MOU Co-Chairs, as appropriate.

b. Further, if the Participants incur contractual or other obligations on each other's behalf, please note that para 6.6 of the MOU applies: The Participants recognize that it may become necessary for one Participant to incur contractual or other obligations for the benefit of the other Participant prior to receipt of the other Participant's funds. In the event that one Participant incurs such obligations, the other Participant will make such funds available in such amounts and at such times as may be required by the Contract or other obligation and to pay any damages and costs that may accrue from the performance of or cancellation of the Contract or other obligation in advance of the time such payments, damages, or costs are due.

c. Should the Participants elect to use either U.S. or CA

currency, a set exchange note will be included in this section of the PA.

d. Where one Participant contracts on behalf of both, the following funding procedures may be adopted as deemed necessary by the POs named above:

1. The POs will prepare and circulate a PA budget and annual payment schedule for approval by the MOU Co-Chairs.
2. The POs will review the PA budget and annual payment schedule every X months and provide estimates to the MOU Co-Chairs.
3. The POs will make their financial contributions in the currency of their choice. The PO will administer these funds using the appropriate financial management procedures of the Participant doing the work or contracting for the work to be done. Should any interest accrue in a Participant's contribution, it will be returned as directed by that Participant.
4. Each PO will maintain separate accounting records for each Participant's contribution. The accounting of the funds will be in the currency of the Participant's Nation where the work is being done, or where the Contract is made. Funds will be made available upon the request of a Participant, and will routinely be forwarded to each Participant within X weeks after the end of each quarter.
5. All funds will be disbursed against certification by the PO that the work has been properly performed or the goods or services have been received and accepted.
6. The PO will maintain full records of all work performed, goods received, responsibilities and commitments incurred, funds received and all disbursements certified and made.
7. At the conclusion of the work under a PA, all financial responsibilities will be settled and a financial balance will be obtained by the PO and a statement thereof will be submitted to both Participants as soon as possible. Any balance remaining will be refunded to the Participants in accordance with their financial share in this PA.

e. Cooperative efforts of the Participants over and above the jointly agreed tasks set forth in the SCOPE OF WORK, SHARING OF TASKS and FINANCIAL ARRANGEMENTS sections will be subject to amendment to this PA or signature of a new PA.)

SECTION IX

CONTRACTUAL ARRANGEMENTS

(If the Participants determine that Contracting is necessary to fulfill their obligations under a PA of this NATIBO MOU, one Participant may contract for both Participants in accordance with its respective national laws, regulations and procedures.)

SECTION X

COOPERATIVE PROJECT PERSONNEL (CPP) (OPTIONAL)

(Upon recommendation of POs and with approval of MOU Co-Chairs: If known at establishment of PA, list CPP who are mutually determined by MOU Co-Chairs as required to work under the PA. POs must ensure that all provisions of SECTION V, CPP, of the MOU are met and that required documentation is completed:

- 1) "Certificate of Conditions and Responsibilities for Cooperative Project Personnel (CPP)" (Annex B to the MOU); and*
- 2) Position Description (PD), as required by the aforementioned Certificate.)*

SECTION XI

LEVEL OF CLASSIFICATION

(Only one of the three following possibilities must be selected:)

- a. No Classified Information or Materiel will be exchanged under this PA; or*
- b. The highest level of Classified Information or Materiel exchanged under this PA is: Confidential; or*

c. The highest level of Classified Information or Materiel exchanged under this PA is: Secret.

SECTION XII

PRINCIPAL ORGANIZATIONS INVOLVED

(List government laboratories, research centers, and other organizations for both the U.S. and Canada.)

SECTION XIII

LOAN OF MATERIALS, SUPPLIES, AND EQUIPMENT **(OPTIONAL)**

1. The following Project Equipment will be transferred by the providing Participant to the receiving Participant:

Providing Participant	Receiving Participant	QTY	Description	Part/ Stock #	Consumables/ Non-consumables	Approx Value	Value of Expected Wear and Tear

(Fill in as appropriate)

2. The providing Participant will transfer the Project Equipment listed above for the duration of _____ unless extended by mutual consent.

3. The providing Participant will deliver the Project Equipment ***(Specify arrangements)***. Custody of the Project Equipment will pass from the providing Participant to the receiving Participant at the time of receipt. Any further transportation is the responsibility of the receiving Participant unless otherwise specified.

4. The providing Participant will furnish the receiving Participant such information as is necessary to enable the Project Equipment to be used.

5. The receiving Participant will inspect and inventory the Project Equipment upon receipt. The receiving Participant will also inspect and inventory the Project Equipment prior to its return to the providing Participant unless the Project Equipment is consumed in accordance with paragraph 1.

6. Upon expiration or termination of the transfer period specified in paragraph 2 (***taking into account any approved extension by the providing Participant***), the receiving Participant will return the nonconsumable Project Equipment to the providing Participant (***Specify arrangements***). If the Project Equipment is lost, unintentionally destroyed, or damaged beyond repair while in the custody of the receiving Participant, the receiving Participant will issue a certificate of loss/destruction/irreparable damage to the providing Participant. If the materials, supplies and equipment are lost or damaged beyond economical repair, the receiving Participant will pay the replacement value as computed pursuant to the providing Participant's national laws, regulations and procedures.

7. In no event will such costs exceed the approximate value of the Project Equipment set out herein; less an amount determined to represent reasonable wear and tear.

8. It is intended that the receiving Participant will consume the consumable Project Equipment specified in paragraph 1. If this does occur, the receiving Participant will provide written notice of its consumption to the providing Participant. In the event consumption does not occur prior to the end of the transfer period specified in paragraph 2, the receiving Participant will return the Project Equipment to the providing Participant (***Specify arrangements***). If the Project Equipment is lost, unintentionally destroyed, or damaged beyond repair prior to its intended consumption while in the custody of the receiving Participant, the receiving Participant will issue a certificate of loss/destruction/irreparable damage to the providing Participant.

SECTION XIV

ENTRY INTO EFFECT, DURATION AND TERMINATION

This _____ PA,
a Project under the Memorandum of Understanding between the
Department of Defense of the United States of America and the
Department of National Defence of Canada for North American
Technology and Industrial Base (NATIBO) Activities , will enter
into effect upon its signature, and will remain in effect for
_____ years unless terminated by either Participant. It may be
extended by mutual written consent of the signatories.

Signature

Signature

Name

Name

Title

Title

Date

Date

Location

Location